

FINANCE AND ECONOMIC BENEFITS COMMITTEE

2014-2015

October 2, 2014

11:00 a.m., University Hall room 210

Present: Shelley Arvin (secretary), M. Affan Badar, John Conant, Noble Corey (chair), Eric Hampton (senator), Jim Smallwood, John Pommier (senator)

Absent: Veda Gregory

Visitors: Mark Green, Associate Vice President for Academic Affairs

I. The meeting was called to order by Noble Corey at 11:00 am.

II. Minutes #2 amended and revised. Accepted (5-0-1)

III. Minutes #3 amended and revised. Accepted (4-0-2)

IV. Health Wellness Program.

A. Corey distributed the following handouts, which were discussed.

i. *2015 Health Coverage Funding Summary – Active Employees & Under 65 Retirees*

ii. *2015 Proposed Health/Rx Plan Changes*

B. *2015 Health Coverage Funding Summary – Active Employees & Under 65 Retirees*

i. Corey noted that there is a hefty penalty if one does not participate in the tobacco test or the Wellness Screening. Green pointed out that one can elect not to participate in Wellness Screening but participate and take the tobacco discount only. Green pointed out that there are two separate cost factors; the Standard Rate and any surcharge/discounts/penalties. Insurance provides a standard rate. One can then apply a surcharge/discount/penalty to the Standard Rate. Currently, some people do not want to do the Wellness Screening but do want to do the tobacco portion to get the discount.

ii. As a potential issue, Green made FEBC members aware of a situation that had been reported to him where an employee failed the tobacco test because he was exposed to secondhand smoke from his spouse. The employee was no longer a smoker. This report has not been confirmed by medical or testing professionals.

C. *2015 Proposed Health/Rx Plan Changes*

i. Corey introduced the 2015 Proposed Health/Rx Plan Changes. He pointed out that co-pays can vary depending upon whether you are seeing a general practitioner or a specialist. If the primary physician is a specialist, then the co-pay is different.

ii. Green stated that changes were made to keep healthcare manageable. Hopefully, it will help people make better choices by, for example, going to the emergency room instead of making a doctor's appointment.

iii. Corey related an anecdote in which the price of a pharmaceutical compound acquired monthly by a patient increased abruptly from about \$15 to over \$770. The price of two tubes was \$15 per month and then the price jumped to over \$770. The reason was that one ingredient in the mixture changed to a

substance that was not covered by insurance. The prescription was changed to a lower cost option once the cause was determined. But in the meantime, the patient was without his medication.

- iv. As one cause of high healthcare costs, Green pointed out that some physicians will automatically prescribe the most expensive drug instead of starting with a cheaper possibility which might solve a patient's problem. Corey commented that some doctors prescribe the generic drug. But occasionally, a patient's body does not tolerate the generic version. Green agreed that this can affect the cost.
 - v. Pommier and Green added the clarification those on an Employee/Spouse and Employee/Dependents plan receive a larger incentive for participating in the wellness screening than those on an Employee only or Employee/Child(ren) plan.
 - vi. Green again emphasized the difference between the Standard Rate and any discounts or penalties. The Affordable Care Act requires that the university must show a Standard Rate which is affordable to all employees. The discounts or penalties are separate things applied to the Standard Rate.
- V. Corey announced that, at the next meeting, FEBC will be discussing the University Handbook 505 Compensation.
<http://www.indstate.edu/adminaff/docs/505%20Compensation.pdf#505.1>
- VI. Meeting adjourned at 12:00 p.m.